

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4f
Date of Meeting September 27, 2016

DATE: September 19, 2016
TO: Ted Fick, Chief Executive Officer
FROM: Wayne Grotheer, Director, Aviation Project Management Group
Michael Ehl, Director, Aviation Operations
SUBJECT: Security Checkpoint 5 Wall Replacement Project at Seattle-Tacoma International Airport (CIP #C800858)

Amount of This Request:	\$1,150,000	Source of Funds:	Airport Development Fund
Est. Total Project Cost:	\$1,200,000		
Est. State and Local Taxes:	\$56,000		

ACTION REQUESTED

Request a single Commission authorization for the Chief Executive Officer to (1) proceed with design and construction of the Security Checkpoint 5 Wall Replacement project at Seattle-Tacoma International Airport (Airport); and (2) use Port crews to construct the project. This single authorization is for \$1,150,000 of a total estimated project cost of \$1,200,000.

SYNOPSIS

Security Checkpoint 5 is located at the north end of the main terminal closest to Concourse D and the STS train station for the North Satellite. Passenger experience at Checkpoint 5 is poor and the Airport's ability to reconfigure the checkpoint is limited due to the existing solid wall that was installed in 2002. This project will replace the solid wall with rolling grilles at the entrance to Security Checkpoint 5.

This will improve the passenger experience helping to make Sea-Tac Airport the West Coast "Gateway of Choice" and better meet the region's air transportation needs. A key action identified in the Century Agenda planning is to "improve operational efficiency of existing facilities." A single authorization is being requested in order to provide needed customer experience improvements as quickly as possible, i.e., by the end of this year. \$50,000 has already been authorized by staff as preliminary work. This project was not included in the 2016 – 2020 capital budget.

BACKGROUND

The solid wall was originally installed in 2002 when the security checkpoint was enlarged. It provides a secure barrier between the ticketing esplanade and the checkpoint when it is closed.

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However, the size and position of its doors creates a visual obstruction that makes the North Esplanade feel smaller and prevents passengers from seeing the length of the checkpoint lines. The position of the wall also limits flexibility in use of checkpoint queuing and divestiture space. Demolition of the wall and installation of a new rolling grille closure barrier will provide more opportunities to reconfigure the checkpoint entry to improve efficiency, improve the passengers' ability to assess queue length and wayfinding at the checkpoint and improve the appearance of the checkpoint.

PROJECT JUSTIFICATION AND DETAILS

Sea-Tac is experiencing record-breaking passenger volumes in 2016. The higher volumes have put significant pressure on the Airport's passenger security checkpoints. While staffing has been increased to mitigate the impact of higher volumes, facility modifications are also needed in order to achieve greater flexibility in the layout of passenger queues and divesting. In addition, wait times at security checkpoints is a top concern for our passengers as reflected in the Airport Service Quality (ASQ) rankings registered in weekly enplaning passenger surveys. This project will restore the ability of passengers to view queue length and movement which is essential to the passengers' sense of wellbeing and improved customer experience.

Project Objectives

The objectives of this project will be to improve Security Checkpoint 5 by:

- Removing the visual impediments at the entrance of the checkpoint.
- Providing more space for a flexible configuration so that divesting, document checking and queuing can be set up in the most efficient manner possible.
- Providing a new method of securing the checkpoint to prohibit access and protect equipment when it is closed.

Scope of Work

- Replace the solid wall at Security Checkpoint 5 with a new rolling grille closure barrier.
- Install an overhead barrier above the new rolling grille structure to the height of the existing wall.

Schedule

The schedule has been expedited so that work will be completed by the end of the year.

Begin Design with preliminary funding	3rd Qtr 2016
Begin Procurement.....	3rd Qtr 2016
Begin Construction	4th Qtr 2016
Complete Project.....	4th Qtr 2016

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FINANCIAL IMPLICATIONS

<i>Budget/Authorization Summary</i>	Capital	Expense	Total Project
Original Budget	\$1,200,000	\$0	\$1,200,000
Previous Authorizations	\$50,000	\$0	\$50,000
Current request for authorization	\$1,150,000	\$0	\$1,150,000
Total Authorizations, including this request	\$1,200,000	\$0	\$1,200,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$1,200,000	\$0	\$1,200,000

<i>Project Cost Breakdown</i>	This Request	Total Project
Design Phase	\$170,000	\$220,000
Construction Phase	\$910,000	\$910,000
State and Local Sales Tax	\$70,000	\$70,000
Total	\$1,150,000	\$1,200,000

Budget Status and Source of Funds

The Checkpoint 5 Wall Replacement (CIP #C800858) was not included in the 2016-2020 capital budget and plan of finance. The total budget of \$1,200,000 will be transferred from C800753 Aeronautical Allowance resulting in no net change in the Airport's capital budget. The funding source for this project will be the Airport Development Fund.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Customer Service
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$1,200,000
Business Unit (BU)	Terminal Building
Effect on business performance	NOI essentially flat
IRR/NPV	N/A
CPE Impact	Less than \$.01 in 2018

Lifecycle Cost and Savings

Aviation Maintenance anticipates no significant impact on operation and maintenance costs due to this project. It is anticipated that the life of the asset will be approximately ten years due to anticipated changes to the north end of the terminal to accommodate passenger growth.

STRATEGIES AND OBJECTIVES

The project promotes the Port's Century Agenda objective by providing critically needed improved passenger experience helping to make Sea-Tac Airport the West Coast "Gateway of

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Choice” and better meeting the region’s air transportation needs. A key action identified in the Century Agenda planning is to “improve operational efficiency of existing facilities” which this project will do for the north end checkpoint.

Small Business

Within the demolition and installation phases, there will be opportunities for those small businesses interested in participating on this project. This supports another Century Agenda objective to increase the Port of Seattle’s utilization of small businesses.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Status Quo – Keep the Checkpoint 5 wall in place as-is.

Cost Implications: No capital cost

Pros:

- (1) No capital cost
- (2) No construction impact

Cons:

- (1) Does not improve visual appearance of checkpoint or ability of passengers to assess queue lengths.
- (2) Does not improve ability to better configure divesting, document checking and queuing spaces.

This is not the recommended alternative.

Alternative 2 – Fully reconfigure the entire security screening, divesting, document checking and queuing spaces as part of a complete North Main Terminal renovation.

Cost Implications: \$38 Million was included in the NorthSTAR program for this work. However, this project has been deferred and the estimate is now considered outdated and likely insufficient to complete the original required scope.

Pros:

- (1) This is the only alternative that reconfigures the checkpoint layout and thus would allow us the opportunity to maximize throughput at the checkpoint.
- (2) This alternative would reconfigure the entire north end of the Main Terminal and would improve passenger circulation at the checkpoint as well as all other north end terminal areas.

Cons:

- (1) Moving forward with this alternative in advance of the Sustainable Airport Master Plan’s completion would be risky in that we do not have complete information on the future programming of this space.

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- (2) This is the most costly alternative and would have the largest construction impact to the checkpoint.
- (3) This alternative would take the longest to complete as well, at least three years.

This is not the recommended alternative.

Alternative 3 – Replace the solid wall with rolling grilles at the entrance to Security Checkpoint 5.

Cost Implications: \$1,200,000 Capital Cost

Pros:

- (1) This alternative is a cost-effective way to improve operational efficiency of existing facilities in advance of the SAMP projects.
- (2) This alternative would have less construction impact to the checkpoint.

Cons:

- (1) This alternative does not correct the aesthetics or visual barrier issues caused by the remaining two solid walls (located north of the primary Checkpoint 5 secure wall).
- (2) There may need to be a follow on project later down the road to replace these walls if that remains a problem.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Computer side presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None